2019
2018.4.1-2019.3.31

FY3/19
Financial Results

Ad-Sol Nissin Corp.

Tomizo Ueda, President and CEO

May 28, 2019

Summary of FY3/19 Results

Initiatives of Ad-Sol Nissin

Key Measures and Business Forecasts for FY3/20

Ad-Sol Nissin Corp.

Record-high sales and profits!

Sales	**12.194** billion yen	YoY: + **10.9**% Vs. initial plan: + **694** million yen
Operating income	**1.012** billion yen	YoY: + **21.6**% Vs. initial plan: + **132** million yen
Dividends	**27** yen	YoY: + **6** yen Vs. initial plan: + **5** yen

Income Statement

◆ Strong Energy and Next-Generation Vehicles!

(Unit: million yen)	FY3/18		FY3/19		YoY	
	Result	Ratio to sales %	Result	Ratio to sales %	Increase/ decrease	Pct. change
Sales	10,997	-	**12,194**	-	1,197	10.9
Gross profit	2,516	22.9	**2,820**	**23.1**	303	12.1
SG&A expenses	1,683	15.3	**1,808**	**14.8**	124	7.4
Operating income	832	7.6	**1,012**	**8.3**	179	21.6
Ordinary income	857	7.8	**1,012**	**8.3**	154	18.1
Net income	553	5.0	**687**	**5.6**	134	24.2
EPS (yen)	61.3	-	**75.9**	-	14.6	23.8
ROE (%)	17.2	-	**18.9**	-	-	-

Sales by Segment

◆ **Social Infrastructure Business: <u>Energy</u> field expanded (electricity and gas)**
◆ **Advanced Industry Business: <u>Next-generation vehicles</u> expanded (advanced EVs, automated driving)**
◆ **Comprehensive IoX Engineering Business: Steady growth in <u>IoT and security-related</u> businesses**
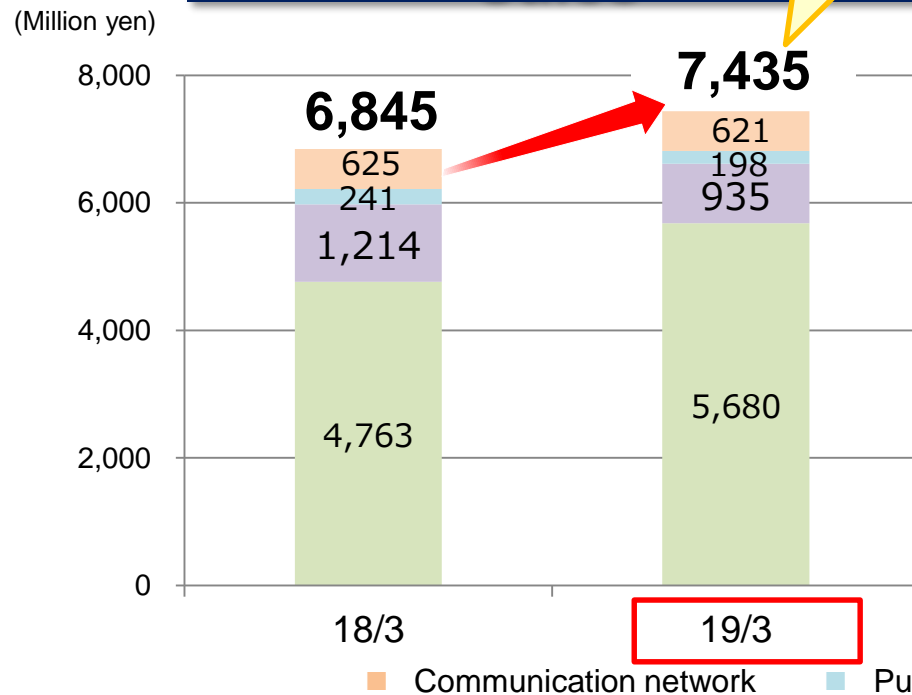
(Unit: million yen)	FY3/18		FY3/19		YoY	
	Result	Ratio to sales %	Result	Ratio to sales %	Increase/ decrease	Pct. change
Sales	10,997	-	**12,194**	-	1,197	10.9
Social Infrastructure Business	6,845	62.2	**7,435**	**61.0**	590	8.6
Energy	4,763	43.3	**5,680**	**46.6**	917	19.3
Transportation	1,214	11.0	**935**	**7.7**	△279	△22.9
Public works	241	2.2	**198**	**1.6**	△43	△17.8
Communication Network	625	5.7	**621**	**5.1**	△4	△0.7
Advanced Industry Business	4,151	37.8	**4,758**	**39.0**	606	14.6
Control system	1,650	15.0	**2,047**	**16.8**	396	24.0
Foundation system	1,879	17.1	**1,939**	**15.9**	59	3.2
Solution	622	5.7	**772**	**6.3**	150	24.2
(Comprehensive IoX Engineering Business)	3,592	32.6	**3,917**	**32.1**	325	9.0

Social Infrastructure Business

Orders

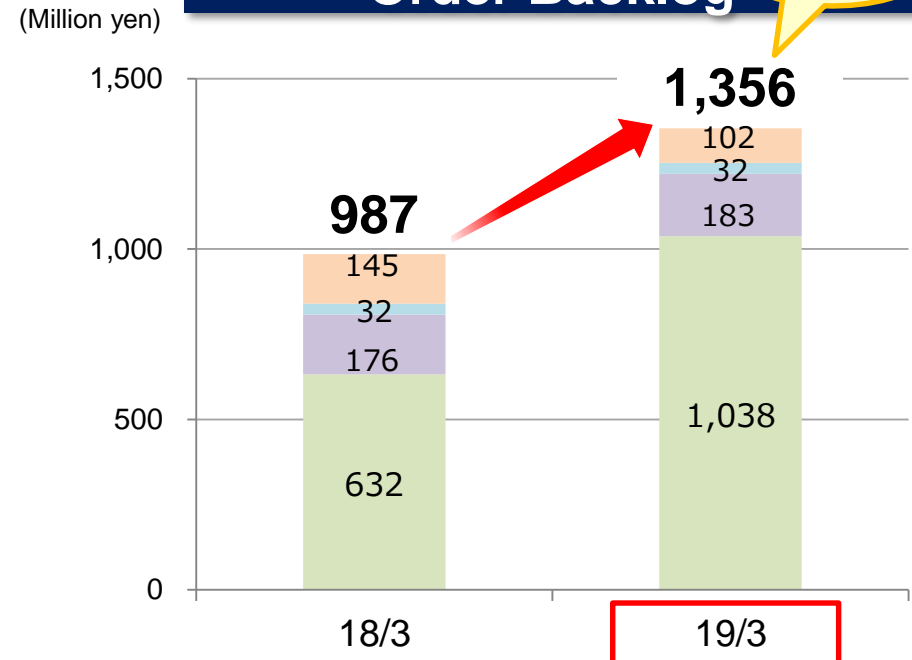|	
■ **Energy**	● **Made base load of** <u>**electric power-related**</u> **(deregulation and company split)** ● <u>**Gas-related**</u> **sales increased (liberalization, facility-related business, service systems, etc.)**
■ **Transportation**	● <u>**Space-related business**</u> **progressed as planned.**
■ **Public works**	● <u>**Disaster prevention**</u> **is a transitional period for next projects**
■ **Communications network**	● <u>**Next-generation communications (5G)**</u> **business progressed as planned.**

Sales

Up 8.6%

(Million yen)

	18/3	19/3
	6,845	**7,435**
Communication network	625	621
Public works	241	198
Transportation	1,214	935
Energy	4,763	5,680

Order Backlog

Up 37.4%

(Million yen)

	18/3	19/3
	987	**1,356**
Communication network	145	102
Public works	32	32
Transportation	176	183
Energy	632	1,038

■ Communication network　■ Public works　■ Transportation　■ Energy

Advanced Industry Business
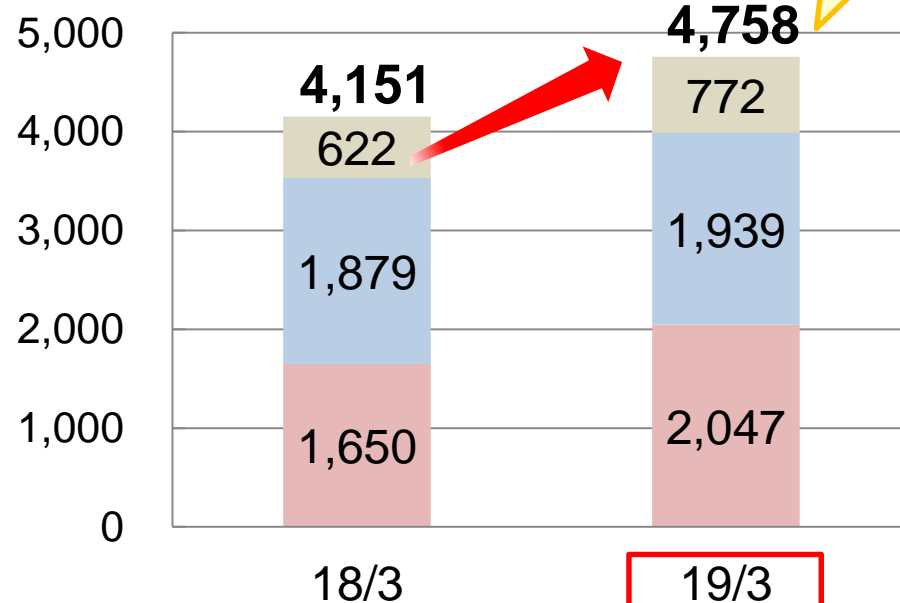
Orders

- **Control system**

- **Foundation system**

- **Solution**

● **Focus on next-generation vehicles (advanced EVs, automated driving, etc.)**
● **Medical-related products: Promote multi-site, distributed development**
● **Sales of IoT-related (foundation-related) business increased**

● **Sales of newly payment foundation systems increased**

● **Security consulting-related remained firm**
● **Adopted LynxSECURE (IoT systems, public networks)**
● **Geographic information (GIS) sales were strong**

Sales — Up 14.6%

(Million yen)

	18/3	19/3
Total	4,151	4,758
Solution	622	772
Foundation system	1,879	1,939
Control system	1,650	2,047

Order Backlog

(Million yen)

	18/3	19/3
Total	1,048	866
Solution	161	67
Foundation system	495	490
Control system	391	309

■ Control system ■ Foundation system ■ Solution

Comprehensive IoX Engineering Business

Ad-Sol Nissin Corp.

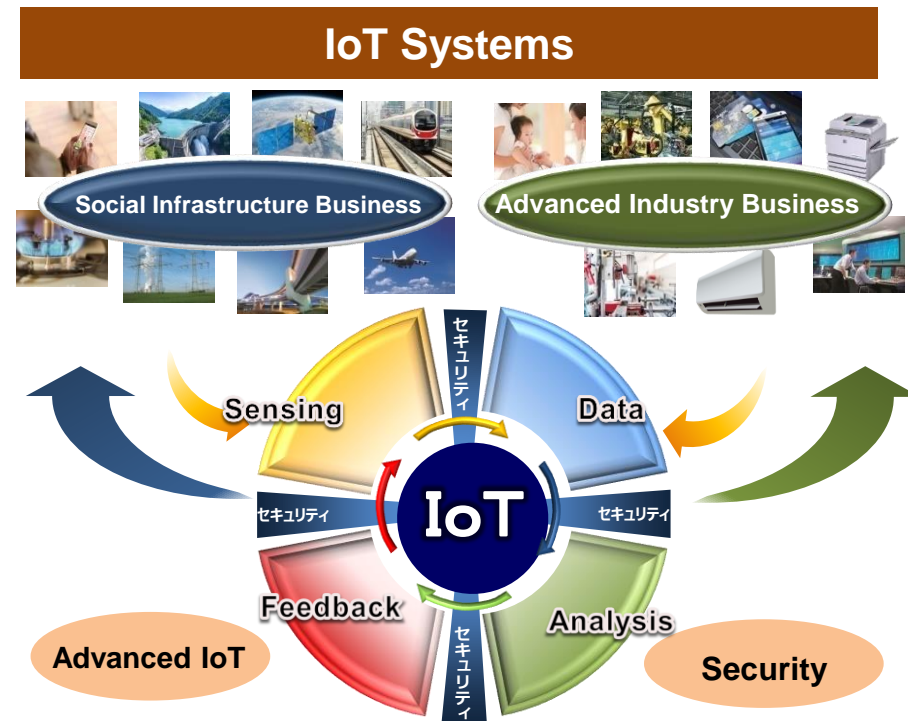## Orders

Growth Driver!
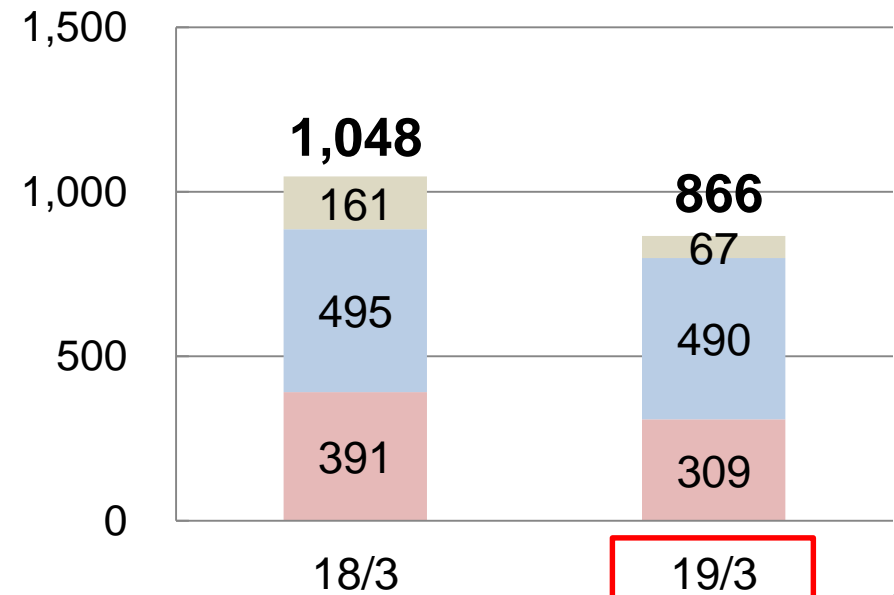
■ **Advanced <u>IoT device control-related</u> (next-generation automobiles, etc.)**
<u>IoT platform-related</u>
 GIS (geographic information system-related)

■ **Steady growth in <u>Security Solutions</u> (Consulting and <u>LynxSECURE</u>)**

Sales

Up 9.0%

(Million yen)

Year	Sales
18/3	3,592
19/3	3,917

■ Comprehensive IoX Engineering Business

IoT Systems

Social Infrastructure Business

Advanced Industry Business

Sensing — Data — Analysis — Feedback

IoT

Advanced IoT

Security
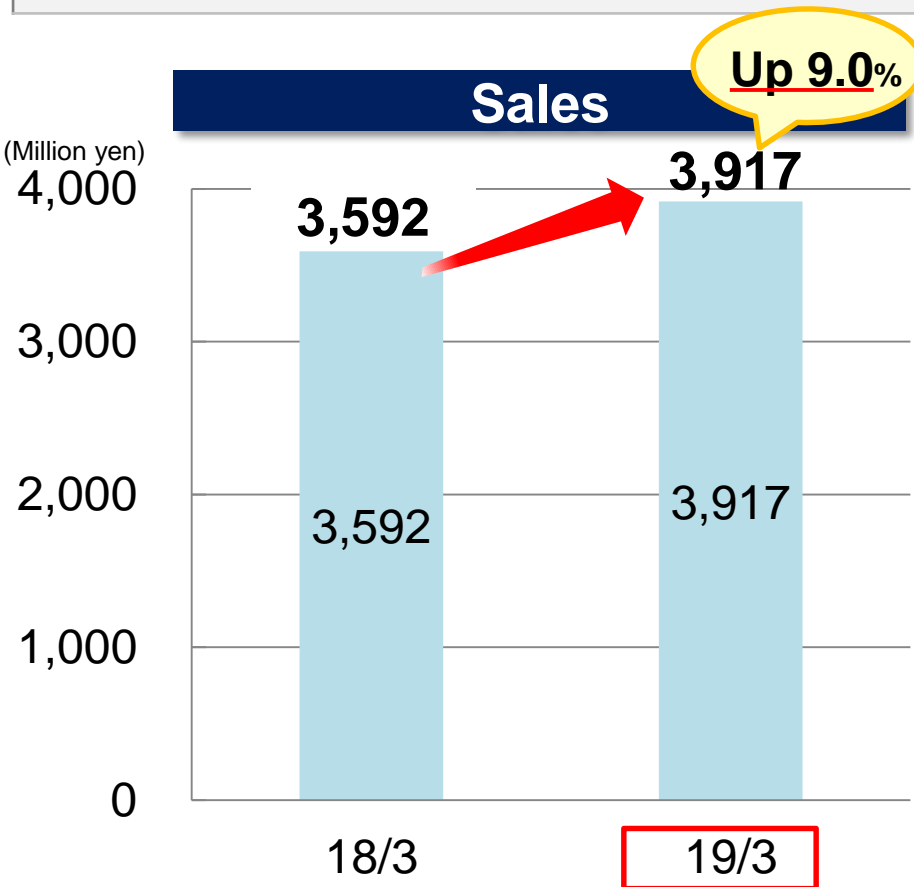
Realize "<u>Society5.0</u>" !

Quarterly Trends

Sales

● Sales of **energy field** expanded

(Million yen)

Record-high Sales
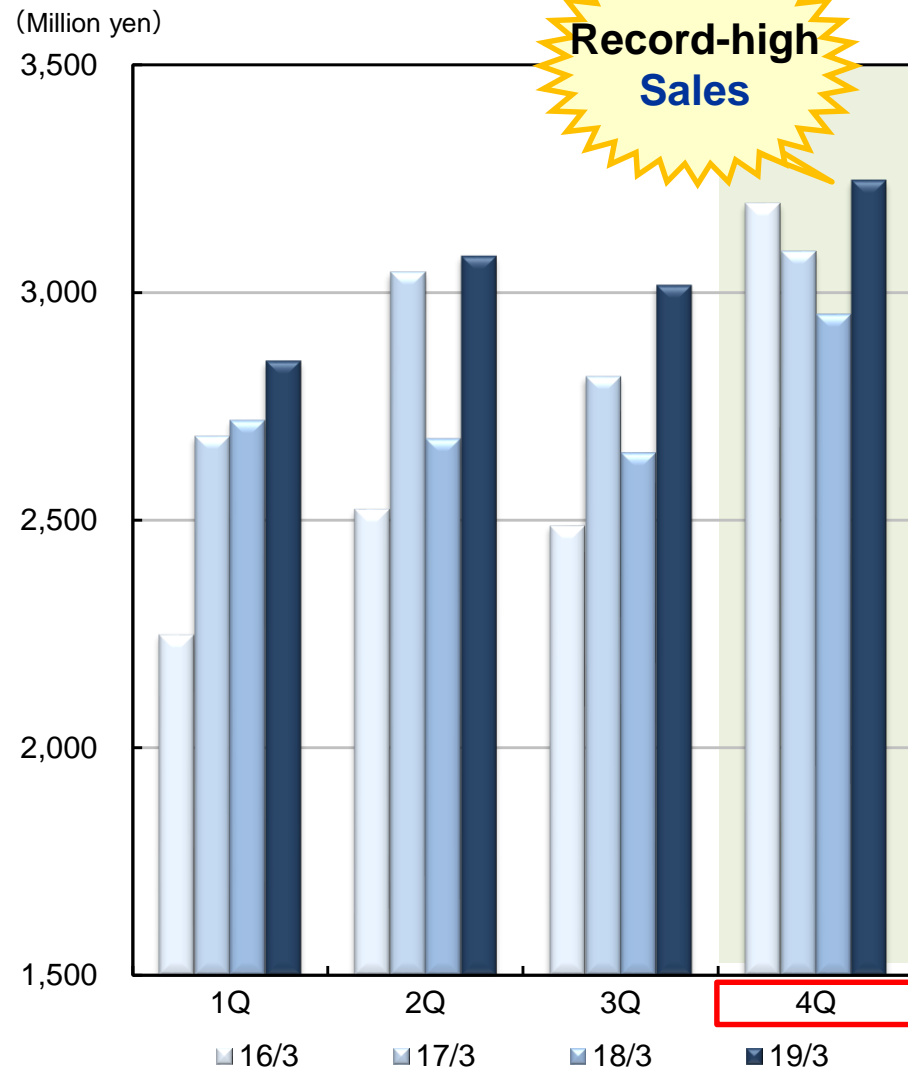
Order Backlog

● Order backlog exceeded **2.2 billion yen**
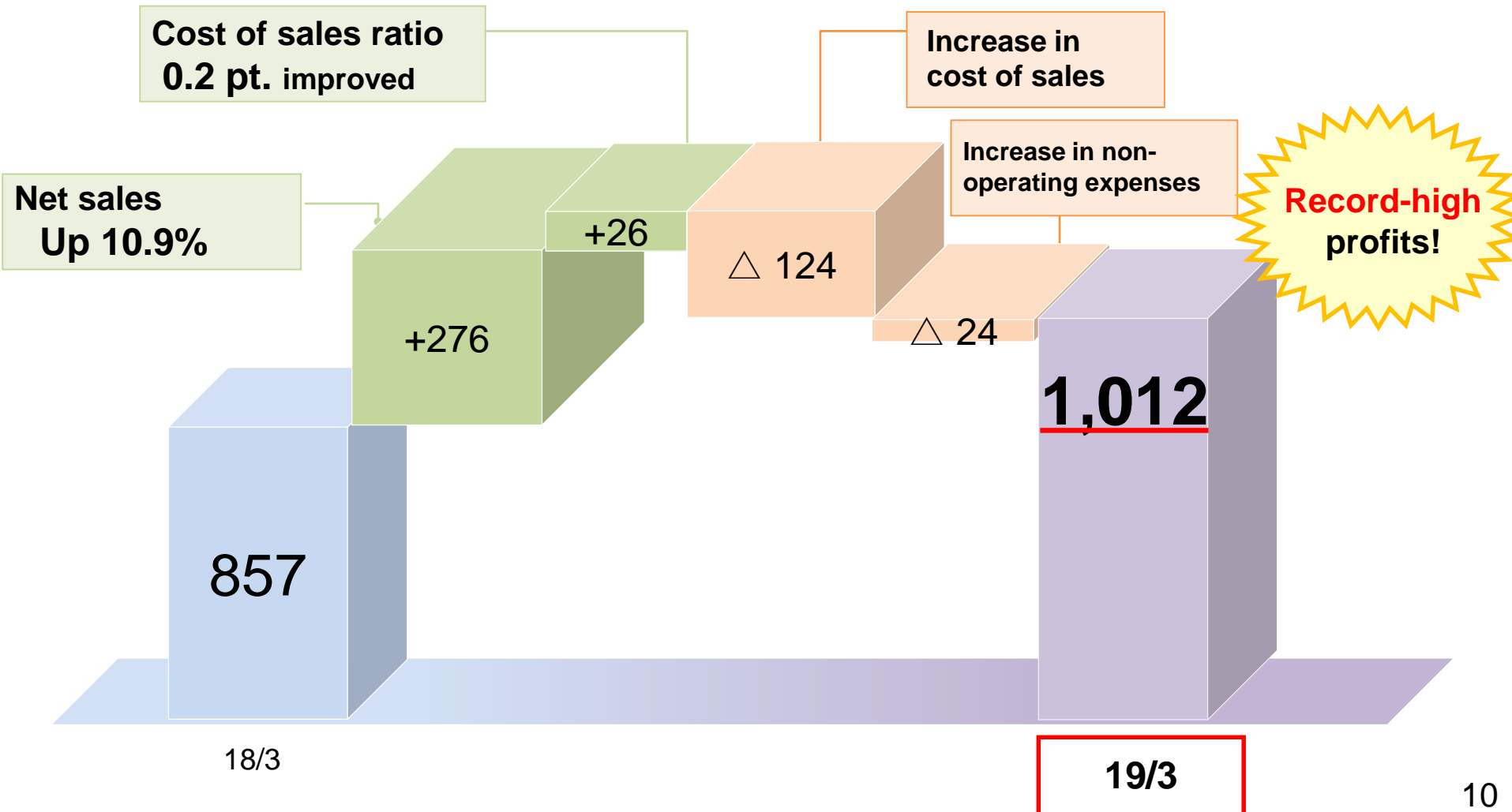

(Million yen)

Record-high Order Backlog
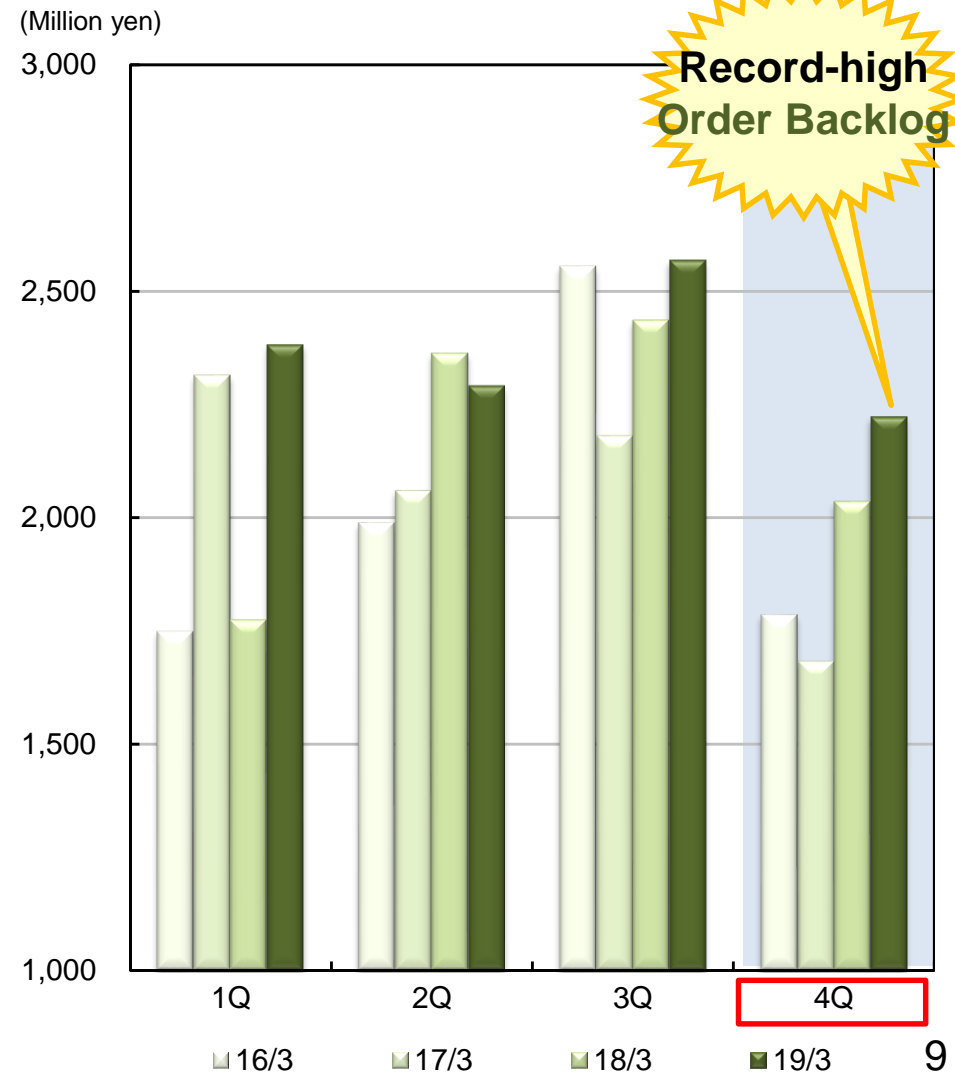
Analysis of Ordinary income

Main driving factors in YoY change

■ Factors for the increase in profits
■ Factors for the decrease in profits

(Million yen)
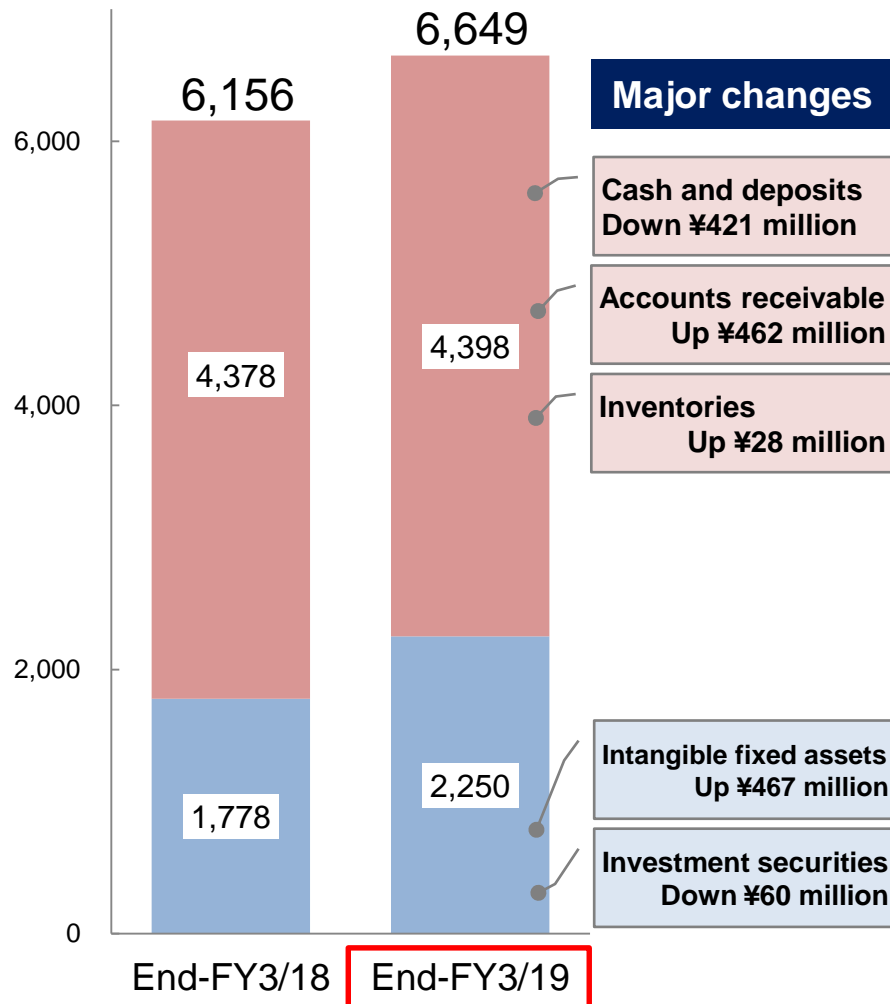
Cost of sales ratio 0.2 pt. improved

Increase in cost of sales

Increase in non-operating expenses

Net sales Up 10.9%

Record-high profits!

+26

△ 124

+276

△ 24

1,012

857

18/3

19/3

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Balance Sheet (YoY)

Assets

● Total assets: **6.6 billion yen** (Up **490 million yen**)

(Million yen)

■ Current assets ■ Fixed assets

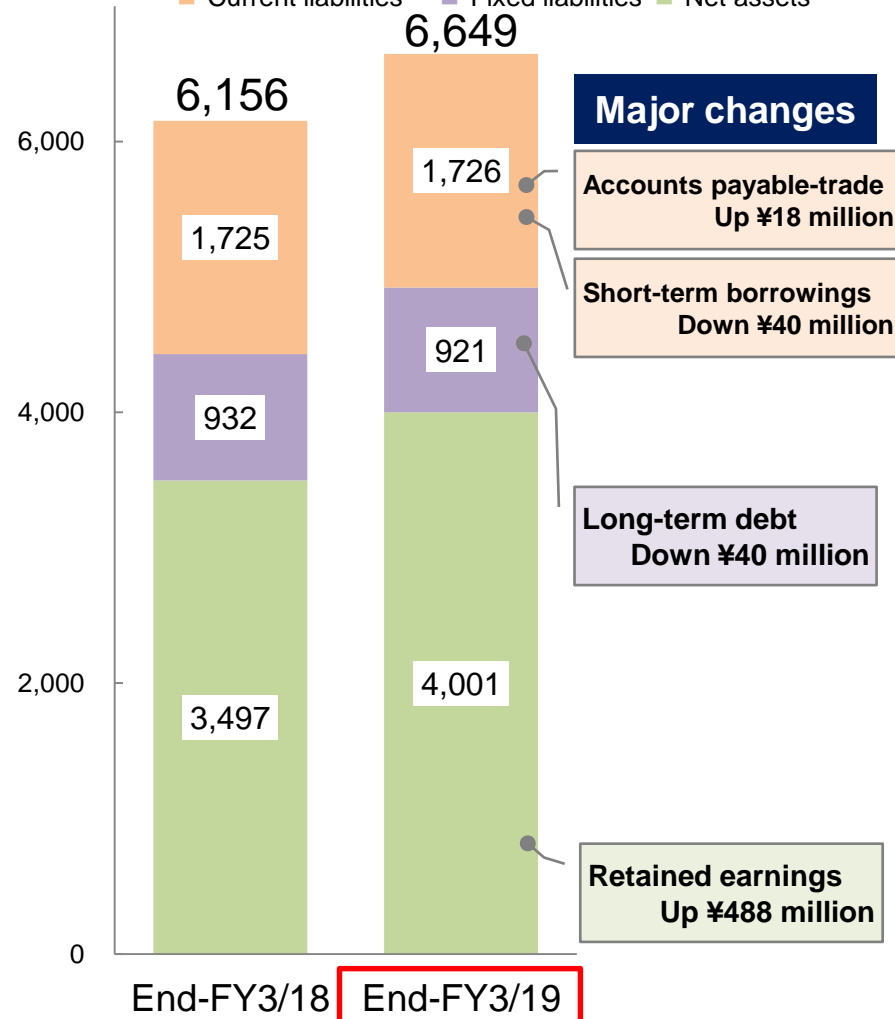**6,156**

6,649

6,000

4,378

4,398

4,000

2,000

1,778

2,250

0

End-FY3/18   End-FY3/19

Major changes

Cash and deposits
Down ¥421 million

Accounts receivable
Up ¥462 million

Inventories
Up ¥28 million

Intangible fixed assets
Up ¥467 million

Investment securities
Down ¥60 million

Liabilities and net assets

● Equity ratio : **58.7%** （Up **3.7**%）

(Million yen)

■ Current liabilities ■ Fixed liabilities ■ Net assets

6,156

6,649

6,000

1,725

1,726

932

921

4,000

3,497

4,001

2,000

0

End-FY3/18   End-FY3/19

Major changes

Accounts payable-trade
Up ¥18 million

Short-term borrowings
Down ¥40 million

Long-term debt
Down ¥40 million

Retained earnings
Up ¥488 million

Cash Flows

Outline

(Million yen)	18/ 3	19/ 3	Increase/ decrease	Change factors	
Operating activity Cash Flows	814	436	△378	・Income before income taxes	1,013
				・Depreciation and amortization	98
				・Increase in liability for employee benefits	31
				・Increase in trade receivables	△413
				・Increase in inventories	28
				・Income and enterprise taxes paid	△330
Investing activities Cash Flows	△103	△611	△508	・Purchase of property, plant and equipment	△32
				・Purchase of intangible assets	△540
				・Payments for lease and guarantee deposits	△35
Financing activities Cash Flows	△235	△245	△10	・Decrease in short-term bank loans	△40
				・Repayment of long-term loans payable	△40
				・Cash dividends paid	△198
Cash and cash equivalents Ending balance	1,793	1,372	△421		

Summary of FY3/19 Results

Initiatives of Ad-sol Nissin

Key Measures and Business Forecasts for FY3/20

Security Forum for the IoT Era

Ad-Sol Nissin Corp.

"Security Forum for the IoT Era" for 4 consecutive years

400 attendees

Program

■Keynote speech

arm
  VP,   Charlene A. Marini

XILINX
  Director,   Daniel Isaacs

■Seminor

LYNX SOFTWARE TECHNOLOGIES
  VP,   Arun Subbaraoh

Ad-Sol Nissin Corp.
  Kenji Katayama, General Manager, IoT System Division, Ad-sol Nissin

■Individual
  Ad-sol Nissin/ LAC / Newtech

Outline

◆ **Date and time: October 12, 2018, 12:00 to 18:00**

◆ **Venue: Grand Prince Hotel Takanawa (3-13-1 Takanawa, Minato-ku, Tokyo)**

◆ **Host:** Ad-Sol Nissin Corp.

◆ **Supporter:**

LYNX SOFTWARE TECHNOLOGIES   WEBROOT   KONICA MINOLTA   NTC Newtech

Panasonic   mitsuiwa   RYOYO   株式会社たけびし

LAC 株式会社ラック   iS4   GKI   Top Out Human Capital

Exhibitions

Ad-sol Nissin / LAC / Newtech / TAKEBISHI CORPORATION
Konica Minolta / Panasonic / Mitsuiwa
Webroot / GKI / Top Out Human Capital

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Ad-Sol Nissin Corp.

Nursing fields

Adopted

Safely connecting IT and OT with **"Quarantine!", "cut-off!"** viruses
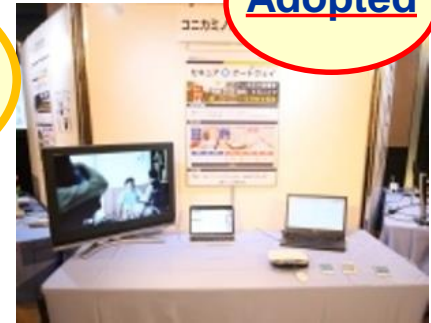
IoT for plants

Connection between "**plant"** and "**IT network"!**
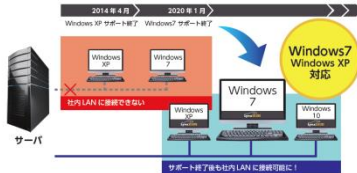Realizing IoT through one-way communication

Boost efficiency for IoT plants

With collecting real-time data and log of **plants,** promote business efficiency through IoT and AI analysis! **Data protection!**

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Overview of Security Forum in the IoT Era

Energy company

Adopted

Safely use support-out/legacy OS!
With quarantine and cut-off viruses

Automotive, Heavy Industry, Energy Network
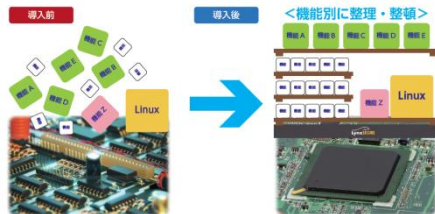
Long-awaited by ARM users!
Integrate Linx and real-time operating systems on Arm

GIS (geographic information system)
Realize visualization and efficiency by combining map information with various types of information!

Patented Electric Field Communications system!
Pinpoint authentication with high-security wireless communication technology!

Position detection system
With wireless communication technology, grasp the position of people / things and cut the waste of confirmation and work!

Test automation !
Reducing man-hours, eliminating mistakes, improving quality!

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Promotional Activities (Forums, Exhibitions, Seminars)

Exhibited at RSA Conference 2019 in USA for three consecutive years

Outline

◆ **Date and time:** **March 4-8, 2019**
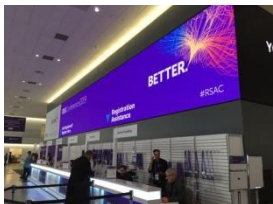
◆ **Venue: The Moscone Center** (San Francisco, USA)

・ Held annually since 1993.
・ Largest and most advanced security conferences and exhibitions in the world.
　(IT technology, standards, implementations, legal standards, policies, security threats, etc.)
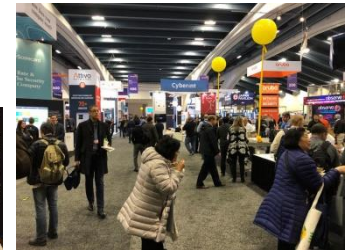
Small Seminar

Japan Pavilion

Promotional Activities (Forums, Exhibitions, Seminars)

Ad-Sol Nissin Corp.

Actively participate in forums, seminars, and exhibitions

◆ **Security Days Spring 2019 Tokyo/Osaka/Nagoya**
(March 3,6-8 / March 1 / February 22, 2019 at JP Tower Hall, Knowledge Capital, JP Tower)

◆ **IoT World Conference 2019 –spring- Tokyo/Nagoya**
（March 5 / February 21, 2019 at JP Tower Hall, JP Tower）

◆ **53rd Supermarket Trade Show 2019**
(Panasonic Industrial Machinery Systems, Inc., February 13-15, 2019 at Makuhari Messe)

◆ **IoT in Action - TOKYO**
(January 22, 2019 at Tokyo Conference Center, Ariake)

◆ **3rd Smart Factory EXPO**
(January 16-18, 2019 at Tokyo Big Sight)

◆ **Ritsumeikan University, Kyoto Women's University, and Kyoto University of Industry**
"Cybercrime Countermeasures Investigation Committee"
(December 22, 2018 at Aeon Mall KYOTO, Sakura Hall)

◆ **Keio University SFC Open Research Forum 2018**
(November 22-23, 2018 at Tokyo Midtown)

◆ **ET/IoT Technology 2018**
(Smart Japan Alliance, November 14-16, 2018 at Pacifico Yokohama)

◆ **GIS Association Japan   27th Annual Presentation of Scientific Studies**
(October 19-21, 2018 at Tokyo Metropolitan University)

◆ **Food Security Japan 2018**
（Kibun Fresh System Co., Ltd., September 26-28, 2018 at Tokyo Big Sight）

Ad–Sol Nissin Corp.

Conclusion of an industry-academia collaboration agreement
with Ritsumeikan University

～ Development of Science and Technology mainly in **IoT Security Field** ～

1 Research on
the latest security technologies

IoT SECURITY

アドソル日進

RITSUMEIKAN

Development of science and technology

2 Consider and verification
of IoT security guidelines

Point !!

3 Established "**Research
center**" and "**Consortium**"
of IoT security

4 Development of human
resources of IoT security

Kusatsu Campus of Ritsumeikan University

**Ceremony for the conclusion
of an industry-academia collaboration agreement**

The signing ceremony of the agreement and
joint press conferences

アドソル日進株式会社・立命館大学総合科学技術研究機構
産学連携に関する協定締結式

アドソル日進株式会社・立命館大学総合
産学連携に関する協定締結

（April 2019: Tokyo Campus of Ritsumeikan University）

Ad-Sol Nissin Corp.

Embedded "Multi-core control system" for next-generation IoT equipments

RITSUMEIKAN アドソル日進

・ **Ritsumeikan University: Mori Laboratory**

Cutting-edge research in Japan ⇒ Fields of system software, security, and network such as operating system (OS)

Next-generation IoT /devices

Integration Multi-core control system

(September 2018: at our company)

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Ad-Sol Nissin Corp.

"Creating Markets" and "Developing New Technologies" through Industry-Academia Collaboration!

Nagoya Institute of Technology

・**Countermeasures against Cyber-Attacks of Control Systems**
 ◆ Participation in the Tsurumai Project
 Research on defense technology and technology to secure control products in cyber-attacks targeting control systems in factories and plants

Nagoya Institute of Technology

Simulated plant

Waseda University

・**EMS Shinjuku Demonstration Center**
 ◆ Japan's first attempt by the Advanced Grid Technology Research Institute of Waseda University and the Ministry of Economy
 ◆ Participation 26 companies such as electric and gas utilities, telecommunications carriers, house manufacturers, car manufacturers, manufacturers of energy, home appliances, and telecommunications equipments
 ◆ Coordination of low-voltage equipment with multiple different manufacturers using communication standards

Waseda University EMS Shinjuku Demonstration Center

Ritsumeikan University

・**"IoT Security/Embedded Multi-Core"**
 ◆ **Industry-academia collaboration agreement**
  ：Development of science technology mainly in the IoT Security Field
  ・Research on the latest security-related technologies
  ・Consider and verification of IoT Security Guidelines
  ・Establishment of IoT security research center and consortium
 ・Developing human resources of IoT security

 ◆ Joint research for next-generation IoT equipment
  ・Built-in "multi-core control system"

Agreement signing ceremony

Joint research with the Mori Laboratory

Ad-Sol Nissin
Industry-Academia Collaboration

Keio university

・**"Integration of GIS and IoT" / GIS x IoT platform**
 ・Response to "i-Construction", (initiatives for production reforms at construction sites, promoted by the Ministry of Land, Infrastructure, Transport and Tourism)
 ・Presentation of results at the Geographic Information Systems Society
 ・Participation in the Belmont International Joint Study
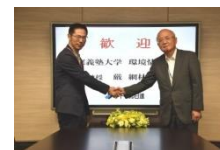
Joint research with a rigorous laboratory

27th Scientific Research Presentation Meeting

Strategic Alliance:
Comprehensive Agreement with Lynx in the U.S.

Ad-Sol Nissin Corp.

◆ **Conclusion of a comprehensive agreement**

・ Lynx's **All Products**

・ Exclusive distributor in Japan (**exclusive sales**)

・ Total support

・ Long-run support

Protect IoT devices

● **IoT equipment solutions**
OS selection, security design

● **One-stop**
Planning, design, development, sales and maintenance

(Released April 18, 2018)

LYNX SOFTWARE TECHNOLOGIES

Ad-Sol Nissin Corp.

General agent in Japan
Exclusive sales

LynxOS 7.0

LynxSECURE

LynxOS-178

LynxOS-SE

● **Manufacturers, vendors**
● **Offices, factories and hospitals**
● **IoT security**

Global System

"Advanced R&D: U.S." "Global development: 2 bases in China and 3 bases in Vietnam"

Dalian, China

Beijing, China

LynxSECURE

Advanced security technology
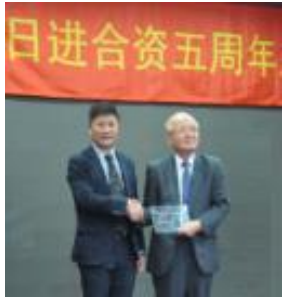
San Jose R&D Center

Beijing

Dalian

Sendai Development Center

Kyushu branch

Tokyo headquarter

Kansai branch

San Jose R&D Center (wholly owned subsidiary)

Hanoi

Danang

Ho Chi Minh

Hanoi, Vietnam

Da Nang, Vietnam

Powered by CraftMAP

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Expand Global Delivery System

Renewal of Da Nang Branch in Vietnam

◎ Hanoi

Da Nang, Vietnam

◎ Danang
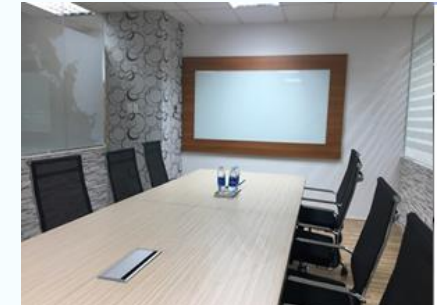
◎ Ho Chi Minh

Address :
02 Quang Trung,Thah Thang Ward,
Hai Chau District,Da Nang City
VIETNAM ,
10thFloor,DaNang Software Park

Da Nang Software Berk Bldg. 10F

Alliance Strategy in the Security and IoT Markets

Ad-Sol Nissin Corp.

Alliances with "upstream processes" and "high added value" fields

Consulting

JICQA
nouvell
Navio
i SA 情報システム監査

Security

先進セキュリティ技術
LynxSECURE
仙台開発センタ
サンノゼR&Dセンタ
九州支社
東京本社
関西支社

LYNX SOFTWARE TECHNOLOGIES
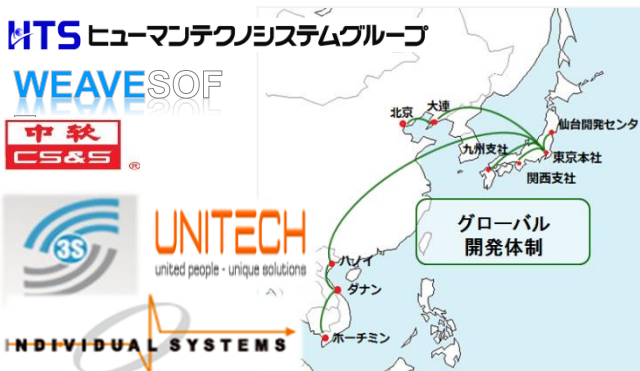WEBROOT
NTC Newtech
データで未来をつなぐ

Business-academia collaboration

**Waseda University,   Keio University,
Ritsumeikan University,   Shizuoka
University,
Nagoya Institute of Technology**

Ad-Sol Nissin Corp.

Group activities

IoT Acceleration Consortium
JNSA
AITC 先端IT活用推進コンソーシアム
エンタープライズアジャイル勉強会
IVI Industrial Value Chain Initiative
VEC
OMG

Development system (domestic and overseas)

HTS ヒューマンテクノシステムグループ
WEAVESOF
中秋 CS&S
3S
UNITECH
united people · unique solutions
INDIVIDUAL SYSTEMS

北京 大連
仙台開発センタ
九州支社 東京本社
関西支社
グローバル開発体制
ハノイ
ダナン
ホーチミン

IoT Solutions

mitsuiwa
RYOYO
リョーヨーセミコン株式会社

LynxOS-178   LynxOS-SE   LynxOS 7.0

Ad-Sol Nissin Corp.

HUMAN TECHNO SYSTEM Group "Strengthening and Expanding the Development System"

HTS ヒューマンテクノシステム
HUMAN TECHNO SYSTEM

Ad-Sol Nissin Corp.

◆ **Collaborate in a wide range of ICT domains!!**

◆ Energy (electricity and gas) ◆ Medical-related ◆ Embedded system related

◆ Automotive-related ◆ Travel-related ◆ Airline-related, etc.

December, 2018

ICT investment in 2020 and beyond

| Reinforcing development systems | Promoting Collaborative Business |

Personnel exchanges (quality and management capabilities)

< Corporate data
  ・Established: June 1997
  ・Representative :
    Fumiaki Kikuchi, Chairman and
    Representative Director
    Hidetaka Tagami, President and
    Representative Director
・Head Office: Fukuoka City, Fukuoka
  ・Bases: Tokyo, Osaka, Aichi,
           Kumamoto, Kanagawa and
Kagoshima
  ・5 group company
    HUMAN TECHNO SYSTEM,
    HUMAN TECHNO SYSTEM TOKYO,
    HTS RISE, IPLAZA, HTS ACT
  ・URL:http://hits.kkhts.com/
  ・Business overview: Package development and sales,
    Development, Design and Manufacturing of Software,
    Solutions services, System consulting

Collaborate with Information System Auditor in Security Consulting Field

情報システム監査
Information System Auditor

Ad-Sol Nissin Corp.

・Provide services for **large enterprises**, **group companies** (global companies) and **government agencies**
・Established as a specialist system auditing company (first in Japan)

・Head Office: Yodogawa-ku, Osaka
・President: Yasuyuki Mitani

(July 2018: at our company)

Information Security Measures
~ One-stop service

| Vulnerability diagnosis | Countermeasure plan | Support for system design and introduction |

| Human Resource Development for Information Security field | After-sales follow-up |

Large and groups companies
Government agencies

Development of the "Secure Series"

Developed and sold large-capacity PCs with "Secure Series" with Newtech

Achieving both security measures and operational efficiency!

Launched in May 2018!

☆ **New Concept Products**
Install "Secure Series: **Secure Rescue**"
to Newtech's PCs,

・ Continue use of legacy OS
・ Expand the system
・ Increase storage capacity

"**Quarantine**" legacy OS
"**Block**" cyber attacks

(Released on April 10, 2018)

○ Hardware specification :
  CPU : Intel Core i3-6100 3.7GHz2C/4T
  Memory: 8GB
  SSD for OS: 64 GB
  Data HDD: 2TB to 10TB (RAID1)
  External Dimensions: W154 x D188 x H270
○ Hardware maintenance
  Sendback: 3 years
 (Optional on-site maintenance selection)

○ **Security measure**
  Secure Rescue for legacies

NTC Newtech
データで未来をつなぐ

◆ NEWTEC CO., LTD.
・ Head Office: Minato-ku, Tokyo
・ President: Hirofumi Yanase
・ TSE JASDAQ

Short-range Wireless Communication for IoT: Service Expansion

Ad-Sol Nissin Corp.

Launched the short-range wireless communication for **IoT "LoRa"** packet capture

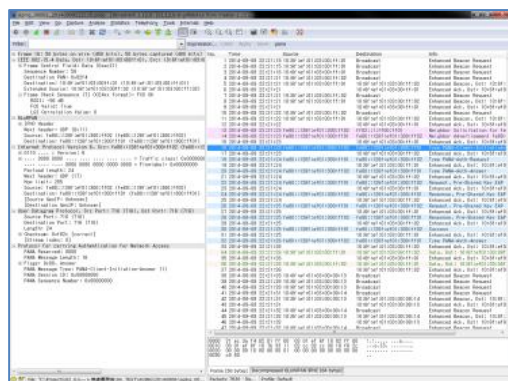**"Compatible with LoRaWAN" "All 17 channels can be confirmed simultaneously"**

Launched in April 2018!

☆ **New product** ☆
For developers of IoT products

First in Japan!

In product development ... **Low-cost and easy** to judge the certification and conformity of the LoRa method!

When installing or using ... Using for checking the **communication status** of the radio and **identifying issues**!

(Released on April 5, 2018)

Packet capture

・Packet capture of the USB dongle type
・Capturing LoRa packets
・Supports LoRa WAN packets
・Acquired data is shown in the
 Network Analyzer Software "Wireshark®"
・Capturing from 1ch to 17ch at the same time
(upstream: x8ch, downstream: x8ch, beacon x
 1ch)

Packet Monitor (Wireshark® window)

Summary of FY3/19 Results

Initiatives of Ad-sol Nissin

Key Measures and Business Forecasts for FY3/20

Priority measures

Business Area Expansion

Social Infrastructure Business

- **Enhancement of business foundation** ⇒・**Electricity-related**
  (spin-off, separation of power generation and transmission)
  ・**Gas-related** (spin-off, pipeline separation)

- Exploration and expansion of **new areas** ⇒**"Space" "Logistics" "5G (Next-Generation Communications)"**

Advanced Industry Business

- **IoT** for manufacturing ⇒**"Next-Generation EV Vehicles" "Automatic driving," "Industrial equipment,"** etc.

- **Cashless** ⇒"Next-Generation Payment and Card"
- Expansion of **New Domains** ⇒Use of advanced technologies: "**Big Data**", "**AI**"

Creating and Providing New Value

Comprehensive IoX Engineering Business

- Differentiation Technology ⇒ "IoT Cyber Security Solution"
  "AI" "Big Data" "GIS" and "Wireless"

Demonstrating competitive advantage

- **Enhance solutions** ⇒**AI-IoT platforms**（cloud-based）

- **Industry-university collaboration**, Collaborative research ⇒**IoT Security, GIS, Multicore**

FY3/20 Full-year Business Forecasts

Ad–Sol Nissin Corp.

◆ **Profits to grow for 10 consecutive years**! (**record-high profits!!**)

(Unit: million yen)	FY3/19		FY3/20		YoY	
	Result	Ratio to sales %	Forecast	Ratio to sales %	Ratio to sales %	Rate of changes
Sales	12,194	-	**12,600**	-	405	3.3
Social Infrastructure Business	7,435	61.0	**7,535**	**59.8**	99	1.3
Advanced Industry Business	4,758	39.0	**5,065**	**40.2**	306	6.4
(Comprehensive IoX Engineering Business)	3,917	32.1	**4,057**	**32.2**	140	3.6
Gross profit	2,820	23.1	**3,089**	**24.5**	269	9.5
Operating income	1,012	8.3	**1,100**	**8.7**	87	8.7
Ordinary income	1,012	8.3	**1,108**	**8.8**	95	9.5
Net income	687	5.6	**703**	**5.6**	15	2.2

◆ **Strong Advanced Industry Business!!**

(Unit: million yen)	FY3/19 2Q		FY3/20 2Q		YoY	
	Result	Ratio to sales %	Forecast	Ratio to sales %	Ratio to sales %	Rate of changes
Sales	5,930	-	**6,121**	-	190	3.2
Social Infrastructure Business	3,481	58.7	**3,635**	**59.4**	153	4.4
Advanced Industry Business	2,449	41.3	**2,486**	**40.6**	36	1.5
(Comprehensive IoX Engineering Business)	2,030	34.2	**2,058**	**33.6**	28	1.4
Gross profit	1,447	24.4	**1,535**	**25.1**	88	6.1
Operating income	525	8.9	**537**	**8.8**	11	2.2
Ordinary income	518	8.7	**541**	**8.8**	22	4.3
Net income	358	6.1	**368**	**6.0**	9	2.5

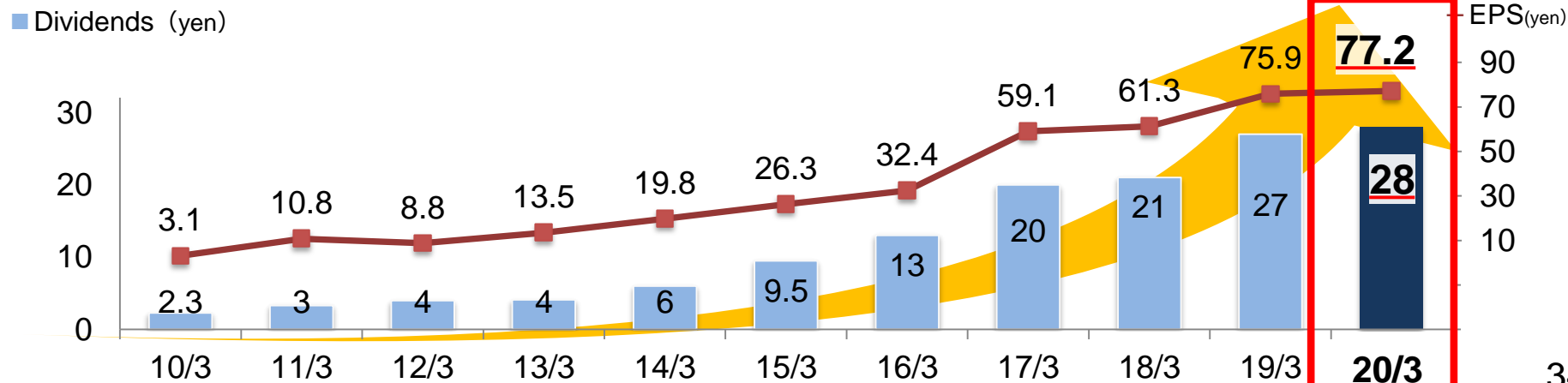# Shareholder Returns -Dividends-

◆ Dividend Policy

■Dividend payout ratio: **35**% or more

■Dividend plan **twice** a year (interim and year-end)

◆ Dividend Forecast

(Unit: Yen)	FY3/18	FY3/19	FY3/20
Interim	10	11	**14**
Year-end	11	16	**14**
Annual	21	27	**28**

◆ Dividend Change

■Dividends（yen）　　　　　　　　　　　　　　　　　　　EPS(yen)

Shareholder Returns -Shareholder Benefits-

Shareholder eligibility and timing

■ For shareholders whose names are recorded in the Registry of Shareholders as of every September 30th and March 31st (twice a year)

- **200 shares or more up to less than 4,000 shares: beneficial goods due to be sent out in December and June**
- **4,000 shares or more: catalogs due to be sent out in November and May**

Contents of the gifts

■ **200 shares or more up to less than 4,000 shares:**

Present of Quo cards with 'Greenery Fund' attachment

● 200 shares or more up to less than 1,000 shares: worth 500 yen

● 1,000 shares or more up to less than 2,000 shares: worth 1,000 yen

● 2,000 shares or more up to less than 4,000 shares: worth 1,500 yen

●Special holding period gift

Additional present of one 500 yen Quo card (two a year) for holders of one year or more

このクオ・カードの代金の一部は「緑の募金」へ寄付されます。

500

A comprehensive engineering company that pioneers the future with IoT

アドソル日進株式会社

■ **4,000 shares or more**

● **Quo cards with 'Greenery Fund' attachment (equivalent to ¥3,000) or**

● **Presentation of the special gift catalog which can select from "Kishu Japanese Plum", "Mikan juice", "Mikan jelly", "Soy sauce" and "rice" etc. (One item from equivalents to ¥3,000)**
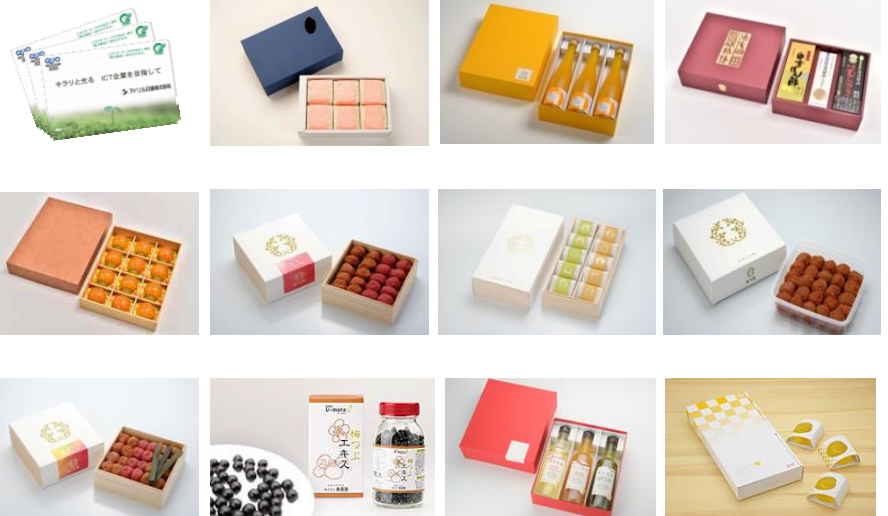
Note: Goods shown in photograph may differ from actual items received

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Appendix

Ad-Sol Nissin Corp.

Overview by business segment

Infrastructure Business

We are developing system integration services in social infrastructure such as "energy (electricity / gas)" "road / railway" "aerospace" "public / disaster prevention" "communication network".

Energy field

Core systems for electric power companies and gas companies, liberalization sy

Transportation field

ICT systems related to space, aerospace, rail and road

Public works field

ICT systems for disaster prevention, dams, rivers, and other government agencies, as well as local governments

Communication network field

Communication-related ICT systems, such as next-generation communications (5G)

Advanced industry business

We are promoting IoT for Japanese manufacturing such as "Next Generation EV Vehicle" "Industrial Equipment", "Equipment" and "Medical Equipment" and provide an advanced ICT system related to the next generation payment system.

Control systems field

ICT system to be incorporated into products sold by customers, such as next generation automobiles, car OS, office equipment, medical equipment, equipment

Foundation systems field

Basic ICT systems, such as payment and credit card systems

Solutions field

Providing unique solutions, such as security, short-range wireless communications and GIS (Geographic Information Systems)

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Overview by business segment

Comprehensive IoX Engineering Business

Toward the realization of 'Safe and super smart society (Society 5.0)', with our core IoT cyber security solution as the core, we propose our own solutions such as AI, Big Data, GIS (Geographical Information System), Wireless communication, etc.

Security solution

・ **We provide a total service from consulting to security for IoT equipment.**
・ **Security Solutions for IoT Equipment: LynxSECURE (Links Secure)**
   - Protecting all manufacturing plants: SECURE FACTORY
   - Protecting Offices: SECURE RESCUE for legacies
   - Protecting Construction Sites: SECURE RESCUE for USB
   - Protecting hospitals and nursing care facilities: SECURE RESCUE for ClosedNET
・ **Physical Security (Human Communication) and Vulnerability Diagnosis Services**
・ **Security Consulting Services (Governance and Compliance)**
・ **Network, security, security human resource development, education services, etc.**

Wireless communications solutions

・ **We provide comprehensive wireless communications essential to the IoT system.**
   - uLocation (indoor position detection systems)
   - uStack (Short Radio Communication LPWA, Nb-IoT, Zigbee®, etc.)
   - tACCESS (proprietary, electric field communications systems)
   - uLook (visualization of electricity, etc.), etc.

GIS (Intellectual Information System)

・ **Provide "consulting" of "GIS (geographical information system)" "system development" "PoC" "solution" etc. on a one-stop basis**
・ **SUNMAP® Solutions**
   - SUNMAP for Crisis (BCPs and crisis-management support)
   - SUNMAP for VRP (support for delivery route planning)
   - SUNMAP for SER (market area analyses, marketing, field surveys, etc.), etc.